

KEYNOTE ADDRESS:"QUALITY INTANGIBLES AND TIME: THE NEW LANDSCAPE OF VALUES AND PRIORITIES"

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THE CONSUMER MARKETPLACE IN AMERICA TODAY

In the past decade priorities driving lifestyle decisions and planning have shifted from values rooted in quantity, tangibles and money to values rooted in quality, intangibles and time. People are looking for meaning and fulfillment without sacrificing comfort and well-being.

Where do the arts fit into the lives of Americans today? What are their priorities? There is a huge flux in the marketplace reflecting a vast and unusual confluence of changes and events taking place. What people do and buy must fit their vision of their lives.

A change in values is what's driving Americans today. While our country is highly prosperous, there's anxiety in the consumer mood. And while we remain highly optimistic people, we are anxious about the near term. These are some of the things driving that mood:

1. A new agenda of values
2. A reluctance to take risks; we are cautious. We want no-risk guarantees.
3. New relationship requirements (meaningful, shared values, personal)
3. A massification of luxury that's changing the value equation (wanting the best at bargain prices).

- a. This "mainstreaming of affluence" can be seen in the language

Formerly	New
Used cars	Pre-owned
Old	Vintage
Stove	Range
Lettuce	Field greens
Vitamins	Nutritional supplements
TV	Home entertainment system

4. We have so little time that time itself becomes a high value commodity. As arts organizations, you have to ask yourselves: are you as good as an hour's worth of sleep or an evening relaxing at home with the family?

5. Demographic changes:

- a. Aging boomers continue to set the values for America. Boomers will not retire. 80% will work in retirement, mainly for enjoyment. Economics is not the core part of this equation. And though they are aging, boomers remain youthful.

- b. Those aged 70-plus are white by a 5:1 margin now. By 2040 minorities will be 50% of the population and the percentage of whites will continue to decline. (this trend is accelerated in California).

- c. The fastest growing segment in America is multi-racial, multi-ethnic. One in six new births is multi-racial. This intermingling of races translates to intermingling of cultures, exploding all categories.

- d. Single households have become the norm, replacing marriage as the cultural norm.

e. Increase in the age of marriage. The boomers married at 20 (female) and 22 (male). Today it's 25 and 27. And, they are having babies later as two-income couples focus on careers before starting a family.

People are rethinking and reassessing what they know about their lives and what they want. And we've decided we don't want "stuff," we want meaning. We want benefits and satisfactions. We have so much stuff that we have no place to put it. Self-storage lockers are one of the fastest growing industries in the nation.

#### VALUES TODAY:

1. Self-actualization, which accelerated after the events of 9/11.
2. Non-material things: family, community, home, spirituality
3. Happiness has gone down steadily since WW II. Money and stuff have not made us happy. Thus, the shift toward intangibles (beyond material things).
  - a. The lesson for marketers is to sell emotions, aesthetics, experiences, authenticity, relationships, service, quality and time.
  - b. People choose integrity over success by 73%. In 1999 it was 58%.
4. Since people value authenticity, hype is dead. Marketing today is about authentic presentation. Telling the truth.
  - a. Boomers value and believe in the authority of the text
  - b. Gen-Xers look at the subtext. They show savvy by being cynical.
  - c. Echo boomers want to be involved in choosing what's authentic. They want to participate, to be involved.
  - d. For everyone, being connected with others, having time with family is important.

#### A NEW PHENOMENON: HIVING

"Cocooning" has morphed into "hiving." Cocooning was defensive, home became a retreat from the world, a form of isolation. Today the key word is "hiving," being engaged at home where we embrace others in a safe setting abuzz with activity. It's about home-centered activities and priorities. It's where people go to take control and feel empowered.

Technology for the most part drives this trend. Tivo, the computer and digital technology, the Internet, Play Stations, blogging, instant messaging, professionally equipped kitchens etc. all allow for self-invention and empowerment. You can invent and customize your own experiences in the comfort of your own home.

How does an arts organization lure patrons out of their hive? Customer service is first and foremost. Patrons expect a high level of personalized customer service without having to pay a premium to get it.

Our marketing efforts, however, are being challenged by consumer activism that has morphed into marketing resistance. Our customers are resisting us, partly because they have so many marketing messages coming at them. In the 1970s the average person was exposed to 300 to 500 ads a day. Today it's 3,000 to 5,000. People are overwhelmed with brand logos. Many are choosing to opt out, to skip the ads, thank you. We're signing up on "no call" lists. Tivo and related technology allow us to skip the commercials.

So what can we do?

Sell the lifestyle, not the stuff. That means selling the experience, not the play. Stress the benefits of participating. Market the value you represent, the values the experience will reinforce for the patron.

Emphasize participation as a family experience, a way of connecting with others.

Offer control by the patron (seat selection, date selection, assurances of safety, parking convenience, comfortable seating, instant reviews in the lobby on a Web site)

Segment and target your marketing, going beyond demographics by marketing to the psychographics of patrons. To do this you need research and good data about their values and preferences. Do surveys with questions such as "I like to try new things," yes or no or, "I respond to last minute discount offers."

Turn your ads into content, make them interesting, interactive and informative.

Turn marketing into entertainment, amuse and inform while you sell. Be clever. Be fun.

The old "push" marketing does not work anymore.

Speak to consumers in a non-rude way. 81% think society is too rude. Remember what mom always told you: say please and thank you often and call people by their names.